



P.O. Box 352 • 150 S. Bridge St. • Markesan, WI 53946 • P: (920) 398-3031 • F: (920) 398-3991

## **FINANCE, PERSONNEL & SAFETY**

### **Markesan City Hall**

**June 2, 2020**

Immediately Following Public Property & Health Meeting

### **AGENDA**

Call to Order

Roll Call

Citizen's Comments

Emergency Management Report

Review and Approval of Vouchers Payable

Police Report & Schedule

- Continued Covid-19 Response

Old Business

New Business

- Discussion and Action on Use of Community Room at No Charge for Markesan Resident Home
- Discussion and Action on Donation of \$1500 for June Dairy Days
- Discussion and Action on Liquor License Fees
- Discussion and Action on Draft 2019 Audit Report

Closed Session: Waste Water Technician Hourly Wage

The Common Council may, by roll call vote, convene in Closed Session, pursuant to Wis. Stats. 19.85(1)(c) to consider employment of any public employee over which the governmental body has jurisdiction or exercises responsibility, after which they may reconvene in Open Session pursuant Wis. Stats. 19.85(2).

Reconvene in Open Session to Take Possible Action on Items Discussed in Closed Session.

Adjournment

A quorum of the Markesan Common Council may be in attendance at this meeting to gather information about a subject over which they have decision making responsibility. Under Wisconsin Open Meeting Law, this may constitute a meeting of the Common Council pursuant to the Badtke Decision, however, the Council will not take action at this meeting.

Any person requiring special assistance to participate in this meeting should contact the Clerk-Treasurer at 398-3031 at least 24 hours prior to the meeting so appropriate accommodations can be made.

Posted: Horicon Bank City Hall  
ERGO Bank Post Office  
[www.markesanwi.gov](http://www.markesanwi.gov)

Dated June 1, 2020  
Elizabeth Amend, Clerk-Treasurer

June 2, 2020

TO: CLERK-TREASURER

FROM: FINANCE, PERSONNEL & SAFETY COMMITTEE

Please be advised we have reviewed the following vouchers, found them to be in order, and recommend to the Common Council that authorization for payment be approved:

CITY CHECKS: 35979 - 36017	\$	37,199.20
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DD #3638 - 3679	\$	30,429.46
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EFT #1005 - 1012	\$	39,282.57
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TOTAL	\$	106,911.23
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UTILITY CHECKS: #12566 - 12579	\$	34,875.99
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TOTAL	\$	34,875.99
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With the exception of:

_____	_____	_____
_____	_____	_____

Signed:

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**City of Markesan**  
**Voucher List**  
May 5 through June 1, 2020

Num	Date	Name	Memo	Original Amount
EFT-1005	05/12/2020	EMPOWER RETIREMENT (WDC)	5/8/2020 PR	-445.00
EFT-1006	05/12/2020	WISCONSIN DEPT. OF REVENUE	5/8/2020 PR	-1,086.89
EFT-1007	05/12/2020	INTERNAL REVENUE SERVICE	5/8/2020 PR	-5,187.82
EFT-1008	05/18/2020	STATE OF WI HEALTH INS	JUNE 2020 HEALTH INS	-19,529.72
EFT-1009	05/26/2020	EMPOWER RETIREMENT (WDC)	5/22/2020 PR	-445.00
EFT-1010	05/26/2020	INTERNAL REVENUE SERVICE	5/22/2020 PR	-5,053.44
EFT-1011	05/26/2020	WISCONSIN DEPT. OF REVENUE	5/22/2020 PR	-1,079.71
EFT-1012	05/26/2020	WRS (Wisconsin Retirement System)	May 2020 Retirement	-6,454.99
			<b>TOTAL EFT PAYMENTS</b>	<b>-39,282.57</b>
DD3638	05/08/2020	Dykstra, Dennis P	Direct Deposit	-116.35
DD3639	05/08/2020	Slate, Rich	Direct Deposit	-461.75
DD3640	05/08/2020	Amend, Elizabeth A	Direct Deposit	-1,031.97
DD3641	05/08/2020	Behlke, Ryan R	Direct Deposit	-1,159.94
DD3642	05/08/2020	Chisnell, Gerald	Direct Deposit	-138.52
DD3643	05/08/2020	Doro, Anthony	Direct Deposit	-1,473.35
DD3644	05/08/2020	French, Jessica M	Direct Deposit	-162.49
DD3645	05/08/2020	Glover, Valerie	Direct Deposit	-97.98
DD3646	05/08/2020	Hansen, Martin H	Direct Deposit	-1,344.54
DD3647	05/08/2020	Heberer, Jeffrey	Direct Deposit	-1,222.82
DD3648	05/08/2020	Heiling, Rachel	Direct Deposit	-481.46
DD3649	05/08/2020	Huhndorf, John E	Direct Deposit	-498.95
DD3650	05/08/2020	Krentz, Dorothea M	Direct Deposit	-1,043.35
DD3651	05/08/2020	McLean, Cody	Direct Deposit	-1,360.49
DD3652	05/08/2020	Meyer, Vanessa K	Direct Deposit	-115.40
DD3653	05/08/2020	Overbeck, Nicole M	Direct Deposit	-918.51
DD3654	05/08/2020	Pflum, William	Direct Deposit	-1,618.91
DD3655	05/08/2020	Stellmacher, Nancy	Direct Deposit	-10.66
DD3656	05/08/2020	Stoll, Brittany M	Direct Deposit	-85.03
DD3657	05/08/2020	Strelow, Joseph W	Direct Deposit	-782.66
DD3658	05/08/2020	Watry, Philip	Direct Deposit	-1,251.08
DD3659	05/08/2020	Zelenko, Valentina	Direct Deposit	-136.75
DD3660	05/22/2020	Amend, Elizabeth A	Direct Deposit	-1,031.98
DD3661	05/22/2020	Behlke, Ryan R	Direct Deposit	-1,104.23
DD3662	05/22/2020	Chisnell, Gerald	Direct Deposit	-138.53
DD3663	05/22/2020	Doro, Anthony	Direct Deposit	-1,473.34
DD3664	05/22/2020	French, Jessica M	Direct Deposit	-164.84
DD3665	05/22/2020	Glover, Valerie	Direct Deposit	-114.69
DD3666	05/22/2020	Hansen, Martin H	Direct Deposit	-823.65
DD3667	05/22/2020	Heberer, Jeffrey	Direct Deposit	-1,222.80
DD3668	05/22/2020	Heiling, Rachel	Direct Deposit	-481.48
DD3669	05/22/2020	Huhndorf, John E	Direct Deposit	-359.53
DD3670	05/22/2020	Krentz, Dorothea M	Direct Deposit	-1,043.33
DD3671	05/22/2020	McLean, Cody	Direct Deposit	-1,284.98

**City of Markesan  
Voucher List  
May 5 through June 1, 2020**

DD3672	05/22/2020	Meyer, Vanessa K	Direct Deposit	-138.94
DD3673	05/22/2020	Overbeck, Nicole M	Direct Deposit	-989.27
DD3674	05/22/2020	Pflum, William	Direct Deposit	-1,618.90
DD3675	05/22/2020	Stellmacher, Nancy	Direct Deposit	0.00
DD3676	05/22/2020	Stoll, Brittany M	Direct Deposit	-98.43
DD3677	05/22/2020	Strelow, Joseph W	Direct Deposit	-1,437.24
DD3678	05/22/2020	Watry, Philip	Direct Deposit	-1,253.59
DD3679	05/22/2020	Zelenko, Valentina	Direct Deposit	-136.75
			<b>TOTAL DIRECT DEPOSIT</b>	<b>-30,429.46</b>
35979	05/05/2020	BAIR, AMI	REFUND PARK RENTAL	-85.00
35980	05/11/2020	SCHROEDER, DIANE	Schroeder Refund / S&S Rental 6/20/20 - COVID1	-85.00
35981	05/12/2020	MARKESAN PUBLIC LIBRARY	Wire Fee for City DNR loan	-15.00
35982	05/14/2020	ADVANCED DISPOSAL	May 2020 Trash & Recycling	-7,076.11
35983	05/14/2020	AIRGAS USA, LLC	Cylinder Rental	-31.27
35984	05/14/2020	BALLWEG IMPLEMENT	Belt for lawn mower	-101.60
35985	05/14/2020	BEHLKE, RYAN	May 2020 Cell Phone Reimb	-15.00
35986	05/14/2020	CENTURYLINK	6 Months catch-up due to dispute	-2,687.33
35987	05/14/2020	CHRIS' FLORAL & GIFTS	Sympathy Arrangement / Neuman & Dallman	-63.00
35988	05/14/2020	GRAND RIVER FIRE DISTRICT	2020 Operating Budget	-11,050.00
35989	05/14/2020	GRAPHIC SIGN & LETTER CO., INC	Emerg. Responder Decals	-273.60
35990	05/14/2020	INTEGRITY LAWN SERVICE & SUPPLY, INC	Fix Chainsaw	-68.61
35991	05/14/2020	KRENTZ, DOROTHEA	May 2020 Cell Phone Reimb	-15.00
35992	05/14/2020	MCLEAN CODY	May 2020 Cell Phone Reimb	-15.00
35993	05/14/2020	PFLUM, WILLIAM A.	May 2020 Cell Phone Reimb	-15.00
35994	05/14/2020	SECURIAN FINANCIAL GROUP, INC.	June 2020 Life Ins Premium	-139.42
35995	05/14/2020	SHELL FLEET	Apr 2020 Fuel	-349.05
35996	05/14/2020	SUPERHEAT	Install new boiler control	-1,345.00
35997	05/14/2020	SUPERIOR CHEMICAL CORPORATION	Cleaner	-108.60
35998	05/14/2020	THE UNIFORM SHOPPE	Pflum / Armor Skin	-101.95
35999	05/14/2020	WATRY PHILIP	May 2020 Cell Phone Reimb	-15.00
36000	05/14/2020	US POSTMASTER	2 Rolls of Stamps	-110.00
36001	05/15/2020	LANDMARK SERVICES COOPERATIVE	Apr 2020 Fuel	-196.65
36002	05/15/2020	MID-STATE SUPPLY	Bathroom Heater / Toilet	-349.09
36003	05/18/2020	ALLIANT ENERGY/WP&L	Apr - May 2020 Electric Bills	-3,038.08
36004	05/18/2020	ERGO BANK OF MARKESAN	WRS Loan - Payment #25	-320.64
36005	05/18/2020	WE ENERGIES	Apr - May 2020 Gas Bills	-455.73
36006	05/26/2020	COMPLETE OFFICE OF WISCONSIN	TP / Paper Towel	-214.54
36007	05/26/2020	EMC INSURANCE	Property & Liability / Workers Comp	-3,682.93
36008	05/26/2020	GENERAL ENGINEERING CO., INC.	Building Inspection	-638.65
36009	05/26/2020	PRE-EMPLOYMENT FUND	May 2020 Pre Employment / Behlke	-76.92
36010	05/26/2020	SHRED-IT USA	Shredding Service	-69.34
36011	05/26/2020	VERIZON WIRELESS	May - June 2020 Cell Phone	-164.75
36012	05/26/2020	WAUPUN EQUIPMENT CO., INC.	Bobcat / Equipment for Bobcat	-2,200.00
36013	05/26/2020	WELLS FARGO REMITTANCE CENTER	Amazon/ Fleet / Google	-353.75
36014	06/01/2020	ARAMARK	5/28/20 Rug Cleaning	-56.75
36015	06/01/2020	BALLWEG IMPLEMENT	Oil / Filter for Payloader	-198.16

City of Markesan  
Voucher List

May 5 through June 1, 2020

36016	06/01/2020	CENTURYLINK BUSINESS SERVICES	Apr - May 2020 Phone & Internet	-1,395.78
36017	06/01/2020	INTEGRITY LAWN SERVICE & SUPPLY, INC	Harness Kit for Weed Eaters	-21.90
			TOTAL CHECK PAYMENTS	-37,199.20
			TOTAL PAYMENTS	-106,911.23

# Markesan Utilities

## Voucher List

May 5 through June 1, 2020

Num	Date	Name	Memo	Original Amount
12566	05/12/2020	BADGER LABORATORIES & ENG.	Testing	-343.00
12567	05/12/2020	HEBERER, JEFFREY	May 2020 Cell Phone Reimb	-15.00
12568	05/12/2020	SPEEDY CLEAN	Clean & Televise	-5,774.85
12569	05/12/2020	USA BLUEBOOK	Wipes & Sanitizer	-103.82
12570	05/18/2020	ALLIANT ENERGY/WP&L	Apr - May 2020 Electric Bill	-2,450.61
12571	05/18/2020	BALLWEG IMPLEMENT	Oil-Gard	-153.86
12572	05/18/2020	LANDMARK SERVICES COOPERATIVE	Apr 2020 Fuel	-108.31
12573	05/18/2020	WE ENERGIES	Apr - May 2020 Gas Bills	-36.84
12574	05/28/2020	MARKESAN, CITY OF	May 2020 PR / Expense Reimb	-24,771.67
12575	06/01/2020	CAREW CONCRETE & SUPPLY	E Vista Blvd	-530.75
12576	06/01/2020	GENERAL ENGINEERING CO., INC.	Phosphorus Upgrade	-340.00
12577	06/01/2020	U.S. CELLULAR	May - June 2020 Cell Phone	-48.24
12578	06/01/2020	USA BLUEBOOK	COVID / Lysol Wipes	-74.04
12579	06/01/2020	WI-DNR	2020 Water Use Fees	-125.00
			TOTAL CHECK PAYMENTS	-34,875.99
			TOTAL PAYMENTS	-34,875.99

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06/02/20

Accrual Basis

**City of Markesan**  
**Treasurer's Report Budget vs. Actual**  
 January through May 2020

	Jan - May 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4100000 · Taxes				
4133000 · PILOT's Water Dept	0.00	69,000.00	-69,000.00	0.0%
4111000 · City Taxes & Overrun	612,421.00	0.00	612,421.00	100.0%
4112000 · TIF Increment	0.00	90,000.00	-90,000.00	0.0%
4114000 · Mobile Home Fees	256.26	2,800.00	-2,543.74	9.2%
4132000 · PILOT's MRH	13,011.69	14,500.00	-1,488.31	89.7%
4180000 · Interest on Taxes				
4180100 · Interest on Delq PP Taxes/Util	29.90			
4180150 · INTEREST ON SPECIAL CHARGES	172.06			
4180000 · Interest on Taxes - Other	569.11	1,000.00	-430.89	56.9%
Total 4180000 · Interest on Taxes	771.07	1,000.00	-228.93	77.1%
4190000 · State Personal Prop Aid	4,635.18			
4195000 · State TID Personal Prop Aid	4,110.31			
4100000 · Taxes - Other	0.00	612,421.00	-612,421.00	0.0%
Total 4100000 · Taxes	635,205.51	789,721.00	-154,515.49	80.4%
4200000 · Special Assessments	3,525.58			
4300000 · Intergovernmental Revenues				
4341000 · Shared Revenue	0.00	444,543.48	-444,543.48	0.0%
4342000 · Fire Dues	0.00	3,300.00	-3,300.00	0.0%
4343000 · Exempt Comp Aid	0.00	3,515.80	-3,515.80	0.0%
4344000 · Lottery Credit- Mobil Home	104.28			
4345000 · Lottery Credit	24,465.04			
4352100 · Police Training	-59.34			
4353100 · Transportation Aids	40,784.02	81,568.06	-40,784.04	50.0%
4354500 · Recycling Grant	0.00	6,000.00	-6,000.00	0.0%
4379100 · EMS (Ambulance) Reimb	0.00	5,000.00	-5,000.00	0.0%
Total 4300000 · Intergovernmental Revenues	65,294.00	543,927.34	-478,633.34	12.0%
4400000 · Licenses & Permits				
4410100 · Alcohol Licenses	1,620.00	2,300.00	-680.00	70.4%
4410200 · Operator's Licenses	680.00	1,200.00	-520.00	56.7%
4410300 · Soda Water Licenses	80.00	100.00	-20.00	80.0%
4410400 · Cigarette Licenses	300.00	300.00	0.00	100.0%
4410500 · Other Business Lic.	0.00	150.00	-150.00	0.0%
4410900 · Cable Franchise Fees	600.00	1,200.00	-600.00	50.0%
4420000 · Dog Licenses (City)	799.33	750.00	49.33	106.6%
4430000 · Building Permits	2,300.00	1,000.00	1,300.00	230.0%
4440000 · Land Use Permits	0.00	250.00	-250.00	0.0%
Total 4400000 · Licenses & Permits	6,379.33	7,250.00	-870.67	88.0%
4500000 · Fines, Forfeits & Penalties				
4510000 · Ordinance Violations	3,570.14	8,250.00	-4,679.86	43.3%
4510100 · Parking Violations	200.00	500.00	-300.00	40.0%
4500000 · Fines, Forfeits & Penalties - Other	-124.00			
Total 4500000 · Fines, Forfeits & Penalties	3,646.14	8,750.00	-5,103.86	41.7%
4600000 · Public Charges for Services				
4610000 · Clerk-Treas Fees	490.84	1,500.00	-1,009.16	32.7%
4610100 · Publication Fees	232.00	400.00	-168.00	58.0%
4610200 · Garbage/Recycle Cart	103.25			
4621000 · Police Dept Fees	214.00	200.00	14.00	107.0%
4632200 · Snow Removal Fees	110.00	200.00	-90.00	55.0%
4643500 · Recycle Fees	1,105.22	2,000.00	-894.78	55.3%
4644000 · Weed Control Charges	1,027.82	1,000.00	27.82	102.8%
4654000 · Cemetery Sales	0.00	500.00	-500.00	0.0%
4672000 · Park Shelter Use	60.00	1,300.00	-1,240.00	4.6%
4674300 · Comm Ctr Use	100.00	600.00	-500.00	16.7%
Total 4600000 · Public Charges for Services	3,443.13	7,700.00	-4,256.87	44.7%
4700000 · Intergov't Charges for Services				
4732100 · School Liason	25,870.26	56,192.00	-30,321.74	46.0%
4734100 · Recycle Ctr-Towns	0.00	9,000.00	-9,000.00	0.0%
4739100 · Crossing Guard Reimb	0.00	6,300.00	-6,300.00	0.0%
Total 4700000 · Intergov't Charges for Services	25,870.26	71,492.00	-45,621.74	36.2%
4800000 · Miscellaneous Revenue				
4811000 · Interest-City Investments	15.49	1,000.00	-984.51	1.5%
4813000 · Spcl Assmt / Spcl Chrg Interest	3,353.02			

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06/02/20

Accrual Basis

**City of Markesan**  
**Treasurer's Report Budget vs. Actual**  
 January through May 2020

	Jan - May 20	Budget	\$ Over Budget	% of Budget
4820000 · Rent-Muni Bldg	1,250.00	3,000.00	-1,750.00	41.7%
4820100 · Rent-Land	0.00	2,362.00	-2,362.00	0.0%
4820200 · Rent-Cell Tower	4,504.70	10,300.00	-5,795.30	43.7%
4840900 · Ins Dividends	0.00	2,500.00	-2,500.00	0.0%
4850000 · Donations	600.00	4,600.00	-4,000.00	13.0%
4850100 · Police Donations	3,826.79			
4890000 · Exp Reimb-All Types	2,205.70	2,500.00	-294.30	88.2%
<b>Total 4800000 · Miscellaneous Revenue</b>	<b>15,755.70</b>	<b>26,262.00</b>	<b>-10,506.30</b>	<b>60.0%</b>
4900000 · Other Financing Sources				
4910010 · 2018A Bond Income	0.00	75,000.00	-75,000.00	0.0%
<b>Total 4900000 · Other Financing Sources</b>	<b>0.00</b>	<b>75,000.00</b>	<b>-75,000.00</b>	<b>0.0%</b>
<b>Total Income</b>	<b>759,119.65</b>	<b>1,530,102.34</b>	<b>-770,982.69</b>	<b>49.6%</b>
<b>Gross Profit</b>	<b>759,119.65</b>	<b>1,530,102.34</b>	<b>-770,982.69</b>	<b>49.6%</b>
<b>Expense</b>				
5100000 · General Government				
5100213 · Accts Rec - Library Health Ins	-4,150.38			
5100100 · W&S Expense Reimb	1,377.28			
5100111 · Accts Rec - W&S Wages	8,125.97			
5100112 · Accts Rec - W&S WRS	365.31			
5100114 · Accts Rec - W&S Insurance	4,118.12			
5100200 · Library Expense Reimb	78.00			
5100211 · Accts Rec - Library Wages	-8,125.97			
5100212 · Accts Rec - Library WRS	-548.51			
5110000 · Legislative				
5110111 · Council	52.74	11,000.00	-10,947.26	0.5%
5110211 · Mayor	2,500.00	7,700.00	-5,200.00	32.5%
5111011 · Committees	0.00	500.00	-500.00	0.0%
<b>Total 5110000 · Legislative</b>	<b>2,552.74</b>	<b>19,200.00</b>	<b>-16,647.26</b>	<b>13.3%</b>
5130000 · Legal				
5130021 · City Atty-General	877.25	4,000.00	-3,122.75	21.9%
5130121 · City Atty-Prosecution	48.75	3,000.00	-2,951.25	1.6%
5131021 · Muni Code Updates	890.00	1,500.00	-610.00	59.3%
<b>Total 5130000 · Legal</b>	<b>1,816.00</b>	<b>8,500.00</b>	<b>-6,684.00</b>	<b>21.4%</b>
5140000 · General Administration				
5141011 · Legislative Support-Wages	2,271.11	15,000.00	-12,728.89	15.1%
5141025 · Legislat. Support-Training/Dues	32.50			
5141032 · Legislative Support-Publication	2,989.26			
5142011 · General Admin-Wages	7,744.96	27,000.00	-19,255.04	28.7%
5142021 · General Admin-Outside Services	476.33			
5142025 · General Admin-Training/Dues	207.50			
5142031 · General Admin-Office Supplies	1,682.81			
5143011 · Elections-Wages	3,118.98	6,000.00	-2,881.02	52.0%
5143032 · Elections-Publication	32.30			
5143034 · Elections-Supplies	467.08			
5144011 · Licensing & Permits-Wages	959.46	2,200.00	-1,240.54	43.6%
5144032 · Licensing & Permits-Publication	58.00			
<b>Total 5140000 · General Administration</b>	<b>20,040.29</b>	<b>50,200.00</b>	<b>-30,159.71</b>	<b>39.9%</b>
5150000 · Financial Administration				
5150011 · General Accounting-Wages	6,479.88	20,000.00	-13,520.12	32.4%
5150521 · Independent Audit	6,535.77	7,300.00	-764.23	89.5%
5151113 · Medicare (default)	2,904.15	5,957.00	-3,052.85	48.8%
5151213 · Social Security	10,115.62	24,000.00	-13,884.38	42.1%
5151314 · Health Insurance	63,682.59	140,000.00	-76,317.41	45.5%
5151315 · HRA-Health Reimbursement	1,079.23			
5151414 · Life Insurance	256.75	650.00	-393.25	39.5%
5151611 · Paid Time Off (PTO)-Wages	26,614.09			
5152012 · Wisconsin Retirement System	15,310.16	37,000.00	-21,689.84	41.4%
5155011 · Property Assessment-Wages	0.00	6,000.00	-6,000.00	0.0%
5155021 · Prop. Assmnt.-Outside Services	1,750.53			
5155111 · Prop Tax Collection-Wages	1,136.72	2,700.00	-1,563.28	42.1%
5155121 · Prop Tax Collection-Outside Ser	445.01			
5156005 · Prop & Liability Ins	8,202.68	19,150.00	-10,947.32	42.8%
5156100 · Workers Comp - Calculated	68.10			
5156105 · Workers Comp	5,037.11	11,500.00	-6,462.89	43.8%
5156205 · Employee Bonds	0.00	850.00	-850.00	0.0%
5150000 · Financial Administration - Other	10.00			



**City of Markesan**  
**Treasurer's Report Budget vs. Actual**  
 January through May 2020

	Jan - May 20	Budget	\$ Over Budget	% of Budget
Total 5150000 · Financial Administration	149,628.39	275,107.00	-125,478.61	54.4%
5160000 · Municipal Building				
5160011 · Municipal Building-Wages	3,558.51			
5160021 · Municipal Building-Outside Serv	1,255.88			
5160022 · Municipal Building-Utilities	8,800.04			
5160023 · Municipal Building-Repairs&Supp	4,198.52			
5160000 · Municipal Building - Other	0.00	44,100.00	-44,100.00	0.0%
Total 5160000 · Municipal Building	17,812.95	44,100.00	-26,287.05	40.4%
Total 5100000 · General Government	193,090.19	397,107.00	-204,016.81	48.6%
5160520 · Bank Service Charges	50.00			
5200000 · Public Safety				
5210000 · Law Enforcement				
5210001 · Police Administration				
5210011 · Police Admin-Wages	27,755.24	63,700.00	-35,944.76	43.6%
5210019 · Police Admin-Uniforms	374.70	1,300.00	-925.30	28.8%
5210021 · Police Admin-Outside Services	834.22			
5210022 · Police Admin-Utilities	3,310.82	270.00	3,040.82	1,228.2%
5210034 · Police Admin-Supplies	1,139.26	6,000.00	-4,860.74	19.0%
5210035 · Police Admin - Donations	3,918.60			
Total 5210001 · Police Administration	37,332.84	71,270.00	-33,937.16	52.4%
5212000 · Police Patrol				
5212011 · Police Patrol-Wages				
5213011 · Police Criminal Invest-Wages	43.96			
5212011 · Police Patrol-Wages - Other	58,498.36	164,000.00	-105,501.64	35.7%
Total 5212011 · Police Patrol-Wages	58,542.32	164,000.00	-105,457.68	35.7%
5212021 · Police Patrol-Outside Services	560.00	5,000.00	-4,440.00	11.2%
5212022 · Police Patrol-Utilities	274.46	600.00	-325.54	45.7%
5212023 · Police Patrol-Repairs/Supplies	916.80	12,000.00	-11,084.20	7.6%
5212033 · Police Patrol-Fuel/Miles	1,445.45			
Total 5212000 · Police Patrol	61,738.03	181,600.00	-119,861.97	34.0%
5213021 · Police Criminal Inv-Suppl/Serv	0.00	1,400.00	-1,400.00	0.0%
5214025 · Police Training	167.24	1,500.00	-1,332.76	11.1%
Total 5210000 · Law Enforcement	99,238.11	255,770.00	-156,531.89	38.8%
5219000 · School Crossing Guard	3,778.79	11,000.00	-7,221.21	34.4%
5220000 · Fire Protection				
5220021 · Fire Dept-Annual Budget	22,100.00	38,850.00	-16,750.00	56.9%
5220022 · Water Hydrant Rental	0.00	113,000.00	-113,000.00	0.0%
5220034 · Fire Dept-Incident Charges	1,477.63			
Total 5220000 · Fire Protection	23,577.63	151,850.00	-128,272.37	15.5%
5230021 · Ambulance Service	0.00	26,000.00	-26,000.00	0.0%
5240021 · Building Inspection	3,734.10	7,000.00	-3,265.90	53.3%
5290000 · Other Public Safety				
5290022 · Emergency Govt-Utilities	428.28			
5290023 · Emer Govt-Supp., Equip & Repair	852.63			
5290000 · Other Public Safety - Other	0.00	8,000.00	-8,000.00	0.0%
Total 5290000 · Other Public Safety	1,280.91	8,000.00	-6,719.09	16.0%
Total 5200000 · Public Safety	131,609.54	459,620.00	-328,010.46	28.6%
5300000 · Public Works				
5310000 · Streets Administration				
5310005 · Streets Admin-CDL Testing	115.00			
5310011 · Streets Admin-Wages	1,873.13			
5310021 · Streets Admin-Outside Services	676.93			
5310000 · Streets Administration - Other	0.00	6,750.00	-6,750.00	0.0%
Total 5310000 · Streets Administration	2,665.06	6,750.00	-4,084.94	39.5%
5311000 · Public Works Shop				
5311011 · PW Shop-Wages	1,420.88			
5311022 · PW Shop-Utilities	1,802.56			
5311033 · PW Shop-Fuel	61.29			
5311034 · PW Shop-Supplies/Tools	1,734.20			
5311000 · Public Works Shop - Other	0.00	12,900.00	-12,900.00	0.0%

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06/02/20

Accrual Basis

**City of Markesan**  
**Treasurer's Report Budget vs. Actual**  
 January through May 2020

	Jan - May 20	Budget	\$ Over Budget	% of Budget
Total 5311000 · Public Works Shop	5,018.93	12,900.00	-7,881.07	38.9%
5312000 · Public Works Mach & Equip				
5312011 · PW Mach & Equip-Wages	8,709.28			
5312023 · PW Mach & Equip-Repair/Supplies	4,993.53			
5312033 · PW Mach & Equip-Fuel	413.66			
5312000 · Public Works Mach & Equip - Other	0.00	36,000.00	-36,000.00	0.0%
Total 5312000 · Public Works Mach & Equip	14,116.47	36,000.00	-21,883.53	39.2%
5331000 · Road Maintenance				
5331011 · Road Maintenance-Wages	599.95			
5331033 · Road Maintenance-Fuel	17.35			
5331000 · Road Maintenance - Other	0.00	12,100.00	-12,100.00	0.0%
Total 5331000 · Road Maintenance	617.30	12,100.00	-11,482.70	5.1%
5331100 · Curbs & Gutters				
5331111 · Curbs & Gutters-Wages	128.25			
5331100 · Curbs & Gutters - Other	0.00	525.00	-525.00	0.0%
Total 5331100 · Curbs & Gutters	128.25	525.00	-396.75	24.4%
5331200 · Traffic Signs & Markings				
5331211 · Traffic Signs, Markings-Wages	171.00			
5331200 · Traffic Signs & Markings - Other	0.00	2,010.00	-2,010.00	0.0%
Total 5331200 · Traffic Signs & Markings	171.00	2,010.00	-1,839.00	8.5%
5331300 · Bridges & Culverts	0.00	500.00	-500.00	0.0%
5331900 · Snow & Ice Control				
5331911 · Snow & Ice Control-Wages	6,259.73			
5331933 · Snow & Ice Control-Fuel	2,270.33			
5331900 · Snow & Ice Control - Other	0.00	25,000.00	-25,000.00	0.0%
Total 5331900 · Snow & Ice Control	8,530.06	25,000.00	-16,469.94	34.1%
5342022 · Street Lighting	10,235.44	24,000.00	-13,764.56	42.6%
5343100 · Sidewalks	0.00	500.00	-500.00	0.0%
5344000 · Storm Sewers	0.00	1,750.00	-1,750.00	0.0%
5344100 · Street Cleaning	1,432.70	1,800.00	-367.30	79.6%
5345000 · Parking Lots				
5345011 · Parking Lots-Wages	48.75			
5345000 · Parking Lots - Other	0.00	525.00	-525.00	0.0%
Total 5345000 · Parking Lots	48.75	525.00	-476.25	9.3%
5362000 · Sanitation/Trash				
5362011 · Sanitation/Trash-Wages	2,423.03			
5362021 · Sanitation/Trash-Outside Serv.	26,102.42			
5362000 · Sanitation/Trash - Other	0.00	63,000.00	-63,000.00	0.0%
Total 5362000 · Sanitation/Trash	28,525.45	63,000.00	-34,474.55	45.3%
5363100 · Landfill Monitoring	0.00	3,000.00	-3,000.00	0.0%
5363500 · Recycling Center				
5363511 · Recycling Center-Wages	1,762.73			
5363523 · Recycling Center-Markesan	18.44			
5363533 · Recycling Center-Fuel	30.65			
5363500 · Recycling Center - Other	32.07	5,500.00	-5,467.93	0.6%
Total 5363500 · Recycling Center	1,843.89	5,500.00	-3,656.11	33.5%
5363521 · Recycling-Curbside	8,493.00	26,000.00	-17,507.00	32.7%
5363600 · Recycling Center-Mackford	321.91	2,100.00	-1,778.09	15.3%
5363700 · Recycling Center-Manchester	321.94	1,200.00	-878.06	26.8%
5363800 · Recycling Center-Green Lake	621.94	2,100.00	-1,478.06	29.6%
5364000 · Weed Control				
5364011 · Weed Control-Wages	48.00			
5364034 · Weed Control-Supplies	115.00			
5364000 · Weed Control - Other	0.00	1,500.00	-1,500.00	0.0%
Total 5364000 · Weed Control	163.00	1,500.00	-1,337.00	10.9%
Total 5300000 · Public Works	83,255.09	228,760.00	-145,504.91	36.4%
5400000 · Health & Human Services				
5490000 · Cemetery				
5491011 · Cemetery-Wages	1,728.61			

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06/02/20

Accrual Basis

# City of Markesan

## Treasurer's Report Budget vs. Actual

### January through May 2020

	Jan - May 20	Budget	\$ Over Budget	% of Budget
5491022 · Cemetery-Utilities	92.30			
5491033 · Cemetery-Fuel	9.92			
5491034 · Cemetery-Supplies	194.20			
5490000 · Cemetery - Other	0.00	8,500.00	-8,500.00	0.0%
<b>Total 5490000 · Cemetery</b>	<b>2,025.03</b>	<b>8,500.00</b>	<b>-6,474.97</b>	<b>23.8%</b>
<b>Total 5400000 · Health &amp; Human Services</b>	<b>2,025.03</b>	<b>8,500.00</b>	<b>-6,474.97</b>	<b>23.8%</b>
5500000 · Culture, Rec & Educ				
5510000 · Library				
5511011 · Library-Wages	789.24			
5511021 · Library-Annual Budget	32,600.00			
5510000 · Library - Other	0.00	65,200.00	-65,200.00	0.0%
<b>Total 5510000 · Library</b>	<b>33,389.24</b>	<b>65,200.00</b>	<b>-31,810.76</b>	<b>51.2%</b>
5520000 · Parks				
5520011 · Parks-Wages	2,603.75			
5520022 · Parks-Utilities	604.09			
5520023 · Parks-Repairs/Supplies	1,148.63			
5520033 · Parks-Fuel	53.40			
5520000 · Parks - Other	0.00	16,000.00	-16,000.00	0.0%
<b>Total 5520000 · Parks</b>	<b>4,409.87</b>	<b>16,000.00</b>	<b>-11,590.13</b>	<b>27.6%</b>
5530000 · City Events/Banners				
5530011 · City Events/Banners-Wages	854.77			
5530021 · City Events/Banner-Outside Svc	323.50			
<b>Total 5530000 · City Events/Banners</b>	<b>1,178.27</b>			
5530100 · Summer Rec Program	2,000.00	2,000.00	0.00	100.0%
5531000 · Events Comm. (Special Events)	4,656.33	5,000.00	-343.67	93.1%
<b>Total 5500000 · Culture, Rec &amp; Educ</b>	<b>45,633.71</b>	<b>88,200.00</b>	<b>-42,566.29</b>	<b>51.7%</b>
5600000 · Conservation & Development				
5670000 · Advertising & Promotion	115.00	500.00	-385.00	23.0%
5671000 · Industrial Park Development	92.99			
5671021 · TIF Fees	650.77	300.00	350.77	216.9%
5690000 · Zoning & Development	0.00	250.00	-250.00	0.0%
5691000 · Mapping	0.00	250.00	-250.00	0.0%
<b>Total 5600000 · Conservation &amp; Development</b>	<b>858.76</b>	<b>1,300.00</b>	<b>-441.24</b>	<b>66.1%</b>
5900000 · Debt Service				
5912000 · 2018 Bond Issue Princ.				
5912100 · 2018 Bond Issue Fees	0.00	750.00	-750.00	0.0%
5912000 · 2018 Bond Issue Princ. - Other	100,000.00	100,000.00	0.00	100.0%
<b>Total 5912000 · 2018 Bond Issue Princ.</b>	<b>100,000.00</b>	<b>100,750.00</b>	<b>-750.00</b>	<b>99.3%</b>
5916000 · Principal Long-Term Debt	1,308.52			
5926000 · Interest Long Term Debt	294.68	640.15	-345.47	46.0%
5926100 · Principle Long Term Debt	0.00	3,207.53	-3,207.53	0.0%
5926250 · 2018A Bond Issue Interest	19,687.50	38,425.00	-18,737.50	51.2%
5927000 · Patrol Car Principal Loan	2,417.83	4,879.98	-2,462.15	49.5%
5927500 · Patrol Car Interest Loan	469.63	894.94	-425.31	52.5%
<b>Total 5900000 · Debt Service</b>	<b>124,178.16</b>	<b>148,797.60</b>	<b>-24,619.44</b>	<b>83.5%</b>
6000000 · Capital Outlay				
6571400 · Outlay - City Hall	0.00	5,000.00	-5,000.00	0.0%
6571900 · Outlay - General Acctg Admin	0.00	2,500.00	-2,500.00	0.0%
6572200 · Outlay - Fire Department	0.00	8,500.00	-8,500.00	0.0%
6572900 · Outlay - Emergency Govt	0.00	5,000.00	-5,000.00	0.0%
6573240 · Outlay - Machines & Equipment	0.00	20,000.00	-20,000.00	0.0%
6573270 · Outlay - Garages & Sheds	0.00	1,500.00	-1,500.00	0.0%
6573310 · Outlay - Streets	0.00	95,000.00	-95,000.00	0.0%
6573460 · Outlay - Parking Lots	0.00	1,500.00	-1,500.00	0.0%
6574200 · Outlay - Recycling Center	0.00	1,500.00	-1,500.00	0.0%
6575100 · Outlay - Cemetery	0.00	2,000.00	-2,000.00	0.0%
6576100 · Outlay - Library	0.00	800.00	-800.00	0.0%
6576200 · Outlay - Parks	0.00	3,000.00	-3,000.00	0.0%
<b>Total 6000000 · Capital Outlay</b>	<b>0.00</b>	<b>146,300.00</b>	<b>-146,300.00</b>	<b>0.0%</b>
<b>Total Expense</b>	<b>580,700.48</b>	<b>1,478,584.60</b>	<b>-897,884.12</b>	<b>39.3%</b>

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06/02/20

Accrual Basis

**City of Markesan**  
**Treasurer's Report Budget vs. Actual**  
January through May 2020

	Jan - May 20	Budget	\$ Over Budget	% of Budget
Net Ordinary Income	178,419.17	51,517.74	126,901.43	346.3%
Net Income	178,419.17	51,517.74	126,901.43	346.3%



P.O. Box 352 • 150 S. Bridge St. • Markesan, WI 53946 • P: (920) 398-2121 • F: (920) 398-8127

Markesan Police Department  
William A. Pflum, Chief of Police

**Finance, Personnel and Public Safety Committee**  
*Presented on June 2, 2020*

**May 2020**

**Agenda:**

**Continued Covid-19 Response**

**Appendix:**

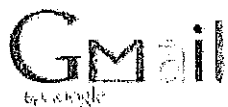
## **Departments Continued Response to COVID-19**

Our department continues to assist the community with its overall response to COVID-19 we have kept busy helping those with concerns, answering questions and providing assistance whenever needed.

We have continued to assist in providing much needed supplies to our most at-risk and vulnerable populations. We check in weekly with both the Markesan Resident Home and the Barrett House to assist if possible in getting them needed supplies.

This department continues to work closely with Del Monte in regards to the upcoming canning season. Del Monte continues to work hard to develop and implement a plan to mitigate any possible issues.

Special thanks to all the community members and organizations that have donated hard to find supplies to area first responders during this time of need. Our area is so fortunate to have such supportive community members. As this department has received donations we have been sure to reach out and distribute the donated items to other organizations in need.



Betsy Amend &lt;bamend@markesanwi.gov&gt;

---

**June Dairy Days**

1 message

---

**mayorsl8@aol.com** <mayorsl8@aol.com>

Thu, May 28, 2020 at 1:00 PM

Reply-To: mayorsl8@aol.com

To: "bamend@markesanwi.gov" &lt;bamend@markesanwi.gov&gt;

Dear Betsy,

Here is my proposal for June Dairy Days 2020. Please put this in the information packets.

Sincerely,

Rich

**June Dairy Days Proposal**

Dairy and agricultural roots run deep in our area. Family dairy farms provided a strong foundation for the economic engines that still drive our communities today.

June is the time to showcase our dairy heritage and to properly thank our farming industry for making this area a great place to live, work, and raise a family.

This year is a little different, but we can step-up to the social-distancing challenge. I am asking the City to support the following plan for to celebrate June Dairy Days 2020.

The main event is the "Drive." Vehicles will cruise around the City on a specific route. I am working with the Chief and Markesan's Emergency Management to design a safe and controlled route within the City.

Along the route, groups and citizens can display signs, decorations or themed dairy displays (live displays) showcasing our dairy heritage.

Service organizations and businesses can use this as a fund raising or advertising opportunity by setting up curbside delivery service to sell or distribute items. Another simple idea to raise money is hold an hourly 50/50 raffle.

Keeping social distancing in mind, I am working to obtain an FM transmitter that will broadcast up to 5 miles, so people can listen to the event in their cars on the FM radio.

A live DJ, or multiple guest DJ's can host the event and provide the ability to communicate with everyone at once at a safe distance.

During the Cruise, the Flag (Sunday is Flag Day), the Farm Family and the Graduating Class of 2020 will all get special recognition ceremonies.

The cruise will take place from 6-9pm.

The crowning moment of the evening is a large firework display in the industrial park. Most of the property around the industrial park is private, so good communication must take place to avoid trespassing issues.

To date I gathered unofficial pledges for about 50% of the cost for the firework show. The goal is \$6,000, but we can scale it down, if needed. Other than that, costs are minimal and should not exceed \$7,000.

Other events scheduled is the Lion's chicken BBQ on Sunday and hope to see other groups have smaller promotional events taking place over the three day weekend.

I received approval from the City's insurance company for the City to take on the liability for the event.

**Saturday Itinerary**

6pm	Opening Ceremony
7pm	Honor the Farm Family
8pm	Honor the Class of 2020
9pm	Closing Ceremony
9:30	Firework Display

# DRAFT



**CITY OF MARKESAN, WISCONSIN**  
**FINANCIAL STATEMENTS**  
Including Independent Auditor's Report  
As of and for the year ended December 31, 2019

Johnson Block and Company, Inc.  
Certified Public Accountants  
2500 Business Park Road  
Mineral Point, Wisconsin  
(608) 987-2206  
Fax: (608) 987-3391



CITY OF MARKESAN, WISCONSIN  
DECEMBER 31, 2019  
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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Markesan, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Markesan, Wisconsin ("City"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Unmodified
Governmental Fund – General Fund	Unmodified
Governmental Fund – Debt Service	Unmodified
Governmental Fund – Tax Incremental Financing District #1	Unmodified
Governmental Fund – Library	Adverse
Enterprise Fund – Water and Wastewater Utility	Unmodified

## **Basis for Adverse Opinion on Library Fund and Qualified Opinion on Governmental Activities**

The Library accounts and activity have not been included in the City's financial statements. Accounting principles generally accepted in the United States of America require the presentation of this financial activity as a governmental fund and as part of the governmental activities, thus increasing assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses, and changing net position. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the governmental activities and the omitted fund has not been determined.

### **Adverse Opinion**

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Library Fund and Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above do not present fairly the financial position of the Library Fund of the City as of December 31, 2019, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Qualified Opinion**

In our opinion, except for the matter described in the "Basis for Adverse Opinion on Library Fund and Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the City as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund other than the Library Fund of the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, effective January 1, 2019, the City of Markesan adopted the provisions of GASB Statement No. 84, Fiduciary Activities. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the Local Retiree Life Insurance Fund schedules, and the Wisconsin Retirement System schedules on pages 50-54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

## **Other Information**

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Johnson Block and Company, Inc.  
May 26, 2020

# DRAFT

## BASIC FINANCIAL STATEMENTS

Exhibit A-1  
City of Markesan, Wisconsin  
Statement of Net Position  
December 31, 2019

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	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 826,495	\$ 632,309	\$ 1,458,804
Cash and investments - restricted		624,939	624,939
Receivables			
Accounts	23,240	200,641	223,881
Taxes	454,026		454,026
Internal Balances	(93,207)	93,207	
Prepaid expenses	18,828		18,828
Inventories		4,841	4,841
Total current assets	1,229,382	1,555,937	2,785,319
Noncurrent assets:			
Capital assets:			
Land	174,077	61,483	235,560
Other capital assets	8,975,246	11,042,390	20,017,636
Less: accumulated depreciation	(3,999,860)	(3,829,782)	(7,829,642)
Net capital assets	5,149,463	7,274,091	12,423,554
Restricted assets:			
Restricted cash - trust and perpetual accounts	67,012		67,012
Receivables:			
Non-utility property		1,644	1,644
Special assessments receivable		2,247	2,247
Total noncurrent assets	5,216,475	7,277,982	12,494,457
Total assets	6,445,857	8,833,919	15,279,776
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension outflows	306,028	57,642	363,670
OPEB - group life insurance plan outflows	3,990	2,660	6,650
Total deferred outflows of resources	310,018	60,302	370,320
Total assets and deferred outflows of resources	\$ 6,755,875	\$ 8,894,221	\$ 15,650,096

Exhibit A-1 (Continued)  
City of Markesan, Wisconsin  
Statement of Net Position  
December 31, 2019

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	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 30,347	\$ 17,058	\$ 47,405
Accrued and other current liabilities	2,612		2,612
Accrued interest	13,439		13,439
Current portion of long-term obligations	108,088		108,088
Total current liabilities	154,486	17,058	171,544
Current liabilities (payable from restricted assets):			
Current portion of revenue bonds		135,804	135,804
Accrued interest		6,689	6,689
Total current liabilities (payable from restricted assets)		142,493	142,493
Noncurrent liabilities:			
Compensated absences	28,969	32,579	61,548
Net pension liability	111,663	21,032	132,695
OPEB - group life insurance plan	13,448	8,965	22,413
General obligation bonds and notes payable	1,556,447		1,556,447
Revenue bonds		3,174,394	3,174,394
Less: current portion	(108,088)	(135,804)	(243,892)
Total noncurrent liabilities	1,602,439	3,101,166	4,703,605
Total liabilities	1,756,925	3,260,717	5,017,642
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Tax apportionment	723,496		723,496
Pension inflows	155,789	29,343	185,132
OPEB - group life insurance plan inflows	3,597	2,398	5,995
Total deferred inflows of resources	882,882	31,741	914,623
<b>NET POSITION</b>			
Net investment in capital assets	3,615,896	4,099,697	7,715,593
Restricted for:			
Debt service - revenue bond funds		123,388	123,388
Equipment replacement		494,862	494,862
Nonexpendable trust and perpetual care	67,012		67,012
Unrestricted	433,160	883,816	1,316,976
Total net position	4,116,068	5,601,763	9,717,831
Total liabilities, deferred inflow of resources, and net position	\$ 6,755,875	\$ 8,894,221	\$ 15,650,096

Exhibit A-2

City of Markesan, Wisconsin  
Statement of Activities  
For the Year Ended December 31, 2019

Net (Expenses) Revenue  
and Changes in Net Position

Functions/Programs	Program Revenues				and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 269,852	\$ 8,477	\$	\$	\$ (261,375)	\$	\$ (261,375)
Public safety	632,746	19,170	74,202		(539,374)		(539,374)
Public works	477,690	17,300	76,801	3,150	(380,439)		(380,439)
Health and human services	13,006	290			(12,716)		(12,716)
Culture and recreation	126,611				(126,611)		(126,611)
Other expenditures	3,615				(3,615)		(3,615)
Interest and fiscal charges	43,123				(43,123)		(43,123)
Conservation and development	712				(712)		(712)
Total governmental activities	1,567,355	45,237	151,003	3,150	(1,367,965)		(1,367,965)
Business-type activities:							
Water and wastewater	597,917	879,776		293,790		575,649	575,649
Total business-type activities	597,917	879,776		293,790		575,649	575,649
Total primary government	2,165,272	925,013	151,003	296,940	(1,367,965)	575,649	(792,316)
General Revenues and Transfers:							
Property taxes					673,942		673,942
General purposes					95,262		95,262
Tax increments					17,605		17,605
Other taxes							
Intergovernmental revenues not restricted for specific purposes					425,530		425,530
Investment income					2,909	3,564	6,473
Miscellaneous					47,186		47,186
Transfers					60,976	(60,976)	
Total general revenues and transfers					1,323,410	(57,412)	1,265,998
Changes in net position					(44,555)	518,237	473,682
Net position - beginning of year					4,160,623	5,083,526	9,244,149
Net position - ending					\$ 4,116,068	\$ 5,601,763	\$ 9,717,831

The notes to the basic financial statements are an integral part of this statement.



Exhibit A-3  
City of Markesan, Wisconsin  
Balance Sheet  
Governmental Funds  
December 31, 2019

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	General	Debt Service	Tax Incremental Financing District #1	Total Governmental Funds
<b>ASSETS</b>				
Cash and equivalents	\$ 737,051	\$	\$ 89,444	\$ 826,495
Restricted cash and investments	67,012			67,012
Receivables:				
Accounts	23,240			23,240
Taxes	382,143		57,379	439,522
Delinquent personal property taxes	14,504			14,504
Prepaid expenses	18,828			18,828
Advance due from other funds	520,062			520,062
<b>Total assets</b>	<b>\$ 1,762,840</b>	<b>\$</b>	<b>\$ 146,823</b>	<b>\$ 1,909,663</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 30,347	\$	\$	\$ 30,347
Accrued payroll liabilities	2,612			2,612
Due to other funds	93,207			93,207
Advance due to other funds			520,062	520,062
<b>Total liabilities</b>	<b>126,166</b>		<b>520,062</b>	<b>646,228</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>631,306</b>		<b>92,190</b>	<b>723,496</b>
<b>FUND BALANCES</b>				
Nonspendable	605,902			605,902
Assigned	354,397			354,397
Unassigned (deficit)	45,069		(465,429)	(420,360)
<b>Total fund balances</b>	<b>1,005,368</b>		<b>(465,429)</b>	<b>539,939</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,762,840</b>	<b>\$</b>	<b>\$ 146,823</b>	<b>\$ 1,909,663</b>

Exhibit A-4  
City of Markesan, Wisconsin  
Reconciliation of the Governmental Funds Balance Sheet  
with the Statement of Net Position  
December 31, 2019

Total fund balances - governmental funds: \$ 539,939

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:

Governmental capital assets	9,149,323	
Governmental accumulated depreciation	<u>(3,999,860)</u>	5,149,463

Pension and OPEB deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan.

These items are reflected in the statement of net position and are being amortized with pension and OPEB expense in the statement of activities.

The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.

Deferred outflows of resources	310,018
Deferred inflows of resources	<u>(159,386)</u>

Long-term liabilities, including bonds payable, are not due in the current period and therefore are not reported in the fund statements:

General obligation bonds and notes payable	(1,556,447)	
Accrued interest on debt	(13,439)	
Compensated absences	(28,969)	
Net pension liability	(111,663)	
OPEB - group life insurance plan	<u>(13,448)</u>	<u>(1,723,966)</u>

Total net position - governmental activities	<u>\$ 4,116,068</u>
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**Exhibit A-5**  
**City of Markesan, Wisconsin**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

	General	Debt Service	Tax Incremental Financing District #1	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 535,655	\$ 155,893	\$ 95,262	\$ 786,810
Intergovernmental	586,526		937	587,463
Licenses and permits	11,878			11,878
Fines, forfeits & penalties	13,941			13,941
Public charges for services	13,118			13,118
Miscellaneous	36,437		136	36,573
Total revenues	1,197,555	155,893	96,335	1,449,783
<b>EXPENDITURES</b>				
Current:				
General government	225,991			225,991
Public safety	582,311			582,311
Public works	282,663			282,663
Health and human services	13,007			13,007
Culture and recreation	99,122			99,122
Conservation and development	712			712
Other expenditures			3,615	3,615
Capital outlay:	86,323			86,323
Debt service:		250,246		250,246
Total expenditures	1,290,129	250,246	3,615	1,543,990
Excess of revenues over (under) expenditures	(92,574)	(94,353)	92,720	(94,207)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	74,589	94,353		168,942
Transfers out	(94,353)		(13,613)	(107,966)
Loan proceeds	25,932			25,932
Sale of fixed assets	851			851
Total other financing sources (uses)	7,019	94,353	(13,613)	87,759
Net change in fund balances	(85,555)		79,107	(6,448)
Fund balance - beginning	1,090,923		(544,536)	546,387
Fund balance - ending	\$ 1,005,368	\$	\$ (465,429)	\$ 539,939

Exhibit A-6  
City of Markesan, Wisconsin  
Reconciliation of Statement of Revenues, Expenditures, and Changes  
in Fund Balance of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds \$ (6,448)

Amounts reported for governmental activities in the statement of activities are different because:

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Capital outlay reported in governmental fund statements	41,276	
Depreciation expenses reported in the statement of activities	<u>(251,097)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period:		(209,821)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, and disposals) is to increase/decrease net position 11,192

Vested employee benefits and OPEB are reported in the governmental funds when amounts are paid. The statement of activities reports values of benefits earned during the year.

Change in OPEB - group life insurance plan liability and related deferred outflows and inflows of resources	(2,752)
Change in compensated absences	18,777

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is: 204,614

The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds but does not affect the statement of activities. (25,932)

In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.

The amount of interest paid during the current period	44,901	
The amount of interest accrued during the current period	<u>(42,394)</u>	
Interest paid is greater (less) than interest accrued by:		2,507

Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan.

Pension expense in the statement of activities is actuarially determined by the defined benefit pension plan as the difference between the net pension liability from the prior year to the current year, with some adjustments.

Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension liability between years, with adjustments.	(36,692)
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Change in net position - governmental activities \$ (44,555)

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-7  
City of Markesan, Wisconsin  
Statement of Net Position  
Proprietary Funds  
December 31, 2019

	Water and Wastewater Utility
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 632,309
Restricted cash:	
Revenue bond funds	130,077
Replacement fund	494,862
Receivables:	
Customer	200,641
Due from other funds	93,207
Inventories	4,841
Total current assets	<u>1,555,937</u>
Noncurrent assets:	
Capital assets:	
Plant in service	11,103,873
Less: accumulated depreciation:	<u>(3,829,782)</u>
Net capital assets	7,274,091
Non-utility property	1,644
Special assessments	<u>2,247</u>
Total noncurrent assets	<u>7,277,982</u>
Total assets	<u>8,833,919</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension outflows	57,642
OPEB - group life insurance plan outflows	<u>2,660</u>
Total deferred outflows of resources	<u>60,302</u>
Total assets and deferred outflows of resources	<u><u>\$ 8,894,221</u></u>

Exhibit A-7 (Continued)  
City of Markesan, Wisconsin  
Statement of Net Position  
Proprietary Funds  
December 31, 2019

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	Water and Wastewater Utility
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 17,058
Total current liabilities	<u>17,058</u>
Current liabilities (payable from restricted assets):	
Current portion of mortgage revenue bonds payable	135,804
Accrued interest	<u>6,689</u>
Total current liabilities (payable from restricted assets)	<u>142,493</u>
Long-term liabilities:	
Revenue bonds	3,174,394
Compensated absences	32,579
Net pension liability	21,032
OPEB - group life insurance plan	8,965
Less: current portion	<u>(135,804)</u>
Total long-term liabilities	<u>3,101,166</u>
Total liabilities	<u>3,260,717</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension inflows	29,343
OPEB - group life insurance plan inflows	<u>2,398</u>
Total deferred inflows of resources	<u>31,741</u>
<b>NET POSITION</b>	
Net investment in capital assets	4,099,697
Restricted for:	
Debt service - revenue bond funds	123,388
Equipment replacement	494,862
Unrestricted	<u>883,816</u>
Total net position	<u>5,601,763</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,894,221</u>

Exhibit A-8  
 City of Markesan, Wisconsin  
 Statement of Revenues, Expenses, and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended December 31, 2019

	Water and Wastewater Utility
<b>OPERATING REVENUES</b>	
Water and wastewater charges for services	879,776
Total operating revenues	879,776
<b>OPERATING EXPENSES</b>	
Operation and maintenance	284,105
Depreciation expense	258,411
Taxes	7,836
Total operating expenses	550,352
Total operating income	329,424
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest expense	(47,565)
Interest income	3,564
Total net nonoperating revenues (expenses)	(44,001)
Income (loss) before contributions and transfers	285,423
Capital grant	293,790
Transfer of tax equivalent	(60,976)
Change in net position	518,237
Net position - beginning of year	5,083,526
Net position - ending	\$ 5,601,763

Exhibit A-9  
City of Markesan, Wisconsin  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019

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	Water and Wastewater Utility
<b>CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>	
Received from customers	\$ 886,723
Payments to employees	(117,297)
Payments for employee benefits and payroll taxes	(37,936)
Payments to suppliers	(114,427)
Net receipts from other funds for operating expenses	(67,156)
Net cash flows from operating activities	<u>549,907</u>
<b>CASH FLOWS (USED BY) NONCAPITAL FINANCING ACTIVITIES</b>	
Paid to municipality for tax equivalent	<u>(60,976)</u>
Net cash flows (used by) noncapital financing activities	<u>(60,976)</u>
<b>CASH FLOWS (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(892,603)
Sale of fixed assets	7,500
Long-term debt proceeds	971,774
Capital grant	293,790
Debt retired	(111,833)
Interest paid	(44,924)
Net cash flows (used by) capital and related financing activities	<u>223,704</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Receipts of investment proceeds	10,655
Interest income	<u>3,564</u>
Net cash flows from (used by) investing activities	<u>14,219</u>
Net change in cash and cash equivalents	726,854
Cash and cash equivalents - beginning of the year	<u>530,394</u>
Cash and cash equivalents - end of the year	<u><u>\$ 1,257,248</u></u>
<b>Reconciliation of cash and cash equivalents to statement of net position accounts</b>	
Cash and investments	\$ 632,309
Restricted cash:	
Water revenue bond funds	130,077
Replacement fund	494,862
Total cash and cash equivalents	<u><u>\$ 1,257,248</u></u>



Exhibit A-9 (Continued)  
City of Markesan, Wisconsin  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019

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	<u>Water and Wastewater Utility</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 329,424
Noncash items in operating income:	
Depreciation expense	261,189
Pension expense	8,556
Life insurance expense	(75)
Changes in assets and liabilities:	
Customer accounts receivable	6,947
Material and supplies	224
Due to / from other funds	(67,156)
Accounts payable	10,011
Compensated absences	<u>787</u>
Net cash provided by operating activities	<u>\$ 549,907</u>

Exhibit A-10  
City of Markesan, Wisconsin  
Statement of Net Position  
Fiduciary Funds  
December 31, 2019

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	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 398,058
Taxes receivable	<u>656,119</u>
 Total assets	 <u>\$ 1,054,177</u>
 <b>LIABILITIES</b>	
Due to other taxing units	<u>\$ 1,054,177</u>
 <b>NET POSITION</b>	
Restricted	<u></u>
 Total liabilities and net position	 <u>\$ 1,054,177</u>

Exhibit A-11  
City of Markesan, Wisconsin  
Statement of Changes in Net Position  
Fiduciary Funds  
December 31, 2019

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	<u>Custodial Fund</u> <u>Tax Collection</u> <u>Fund</u>
<b>ADDITIONS</b>	
Property tax collections for other governments	<u>\$ 876,852</u>
<b>DEDUCTIONS</b>	
Property tax collections paid or owed to other governments	<u>876,852</u>
Net increase (decrease) in fiduciary net position	
Net position - beginning of year	<u>                    </u>
Net position - end of year	<u><u>\$</u></u>

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

City of Markesan, Wisconsin  
December 31, 2019  
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City of Markesan, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Markesan is located in Green Lake County, Wisconsin. The accounting policies of the City of Markesan conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body establishing governmental accounting and financial reporting principles. Significant accounting policies and principles of the City of Markesan are summarized below:

A. Reporting Entity

The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

B. Government-Wide and Fund Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from a legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

**Fund Financial Statements**

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net position/fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

City of Markesan, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Funds are organized in major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Major Governmental Funds:

The City reports the following major governmental funds:

- General Fund – Accounts for the City's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Debt Service Fund – Accounts for the City's resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- Tax Incremental Financing District #1 Fund – Accounts for the activity of tax incremental financing district #1.

Major Enterprise Fund:

The City reports the following major enterprise fund:

- Water and Wastewater Utility – Accounts for operations of the water and wastewater system.

The City does not have any nonmajor governmental or enterprise funds.

In addition, the City reports the following fund type:

Custodial Funds - used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Village accounts for tax collections payable to overlying taxing jurisdictions in a custodial fund.

- Tax Collection

City of Markesan, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

**Government-Wide Financial Statements**

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater utility and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.



City of Markesan, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The City reports deferred inflows of resources on its governmental funds balance sheet. For governmental fund financial statements, deferred inflows or resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the deferred inflows of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the electric and water utility and wastewater utility are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenues and expenditures arising from non-exchange transactions, such as property and sales taxes, fines, and grants are recorded according to the standards in Governmental Accounting Standards.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

City of Markesan, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments

All deposits of the City are made in Council designated official depositories and are secured as required by State Statute. The City may designate, as an official depository, any bank or savings association. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

For purposes of the statement of cash flows, all cash deposits and highly liquid investments with an original maturity of three months or less (including restricted assets) are considered to be cash equivalents.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost, which approximates fair value. Investments with a maturity of more than one year at acquisition and nonmoney market investments are carried at fair value as determined by quoted market prices.

E. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units in the accompanying custodial fund balance sheet.

Property tax calendar – 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale – 2019 delinquent real estate taxes	October 2022

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the City and the utilities because they have the right by law to place delinquent bills on the tax roll.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds,” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds,” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

In the governmental fund financial statements, advances to other funds are offset equally by nonspendable fund balance which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

City of Markesan, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories

Inventories of governmental fund types consist of expendable supplies held for consumption. Such amounts, which are not material, are considered expenditures when purchased and, accordingly, are not reflected on the Balance Sheet – Governmental Funds.

Inventories of proprietary fund types are valued at the lower-of-cost or market using the first-in, first-out method and are charged as expenses or are capitalized when used.

G. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

H. Capital Assets

**Government-Wide Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of two years or \$25,000 for infrastructure improvements. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at acquisition value.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Buildings	30 to 50
Equipment	5 to 15
Computer/Office Equipment	5 to 8
Vehicles	2 to 10
Infrastructure	20 to 50
Land Improvements	20 to 30
Building Improvements	20 to 30

City of Markesan, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

**Fund Financial Statements**

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

I. Compensated Absences

It is the City's policy to permit employees to earn varying amounts of vacation pay for each year employed. Upon retirement or termination of employment, the employee is entitled to payment in cash for unused vacation hours. The City allows twelve sick days per year, cumulative to ninety days. Upon retirement under WRS eligibility rules, any regular full-time employee may convert his/her accumulated sick leave at his/her current rate of compensation to be used to pay health insurance premiums. All vacation and sick leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements. The compensated absences liability will be liquidated by the general fund and proprietary fund. Total compensated absences as of December 31, 2019, totaled \$61,548.

J. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of GASB pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

K. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications

**Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital position.”

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

**Fund Statements**

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable – includes amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted – includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- Committed – includes amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned – includes amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed, may be assigned. Assignments may take place after the end of the reporting period.
- Unassigned – includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative fund balances for any governmental fund if expenditures exceed amounts restricts, committed, or assigned for those purposes.

City of Markesan, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications (Continued)

The City's fund balance policy establishes a minimum unassigned fund balance of not less than 20% of the actual current year general fund expenditures, excluding capital outlay. In the event that the balance drops below the established minimum level, the Contingency Fund balance will lapse to the General Fund, in entirety or in an amount as determined by the Council that is sufficient to bring the General Fund balance into compliance with the fund balance policy.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, the City considers restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the City's committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

The Council of the City of Markesan, Wisconsin, the City's highest level of decision-making authority, may, from time to time, commit additional amounts of fund balance to a specific purpose. Such action shall be taken in open meeting and require the approval of a majority of the City Council. Commitments of fund balance, once made, can be modified only by the majority vote of the City Council.

M. Transfers

Transfers include the following:

- Payment from the general fund to the debt service fund to make principal and interest payments
- Payment in lieu of taxes charged to the water and wastewater utility by the general fund
- Interest payments by the tax incremental financing district on advances made by the general fund

N. Income Tax

Municipal utilities are exempt from income taxes; therefore, no income tax liability is recorded by the Markesan Utilities.

O. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

P. Encumbrances

Encumbrances outstanding represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders at year-end are fulfilled. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not represent liabilities or expenditures. Encumbrances accounting applies only to governmental fund types. The City does not use encumbrance accounting.

Q. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been reflected in the government financial statements. Delinquent real estate taxes of the City are paid in full by the County, which assumes the responsibility for collection. In addition, delinquent user charges are placed on the tax roll if not collected.

City of Markesan, Wisconsin  
Notes to the Basic Financial Statements  
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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

S. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported for WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

T. Other Postemployment Benefits

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

U. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. As of December 31, 2019, the City has items that qualify for reporting in this category. Deferred outflows of resources related to life insurance and the WRS pension system are discussed in Note 13 and Note 14, respectively.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resource (revenue) until then. The City has items that qualify for reporting in the category. Deferred inflows of resources related to life insurance are discussed in Note 13, deferred inflows of resources related to the WRS pension system are discussed in Note 14, and the remaining deferred inflows of resources are discussed in Note 5.

V. Change in Accounting Principle

Effective January 1, 2019, the City adopted provisions of GASB statement No. 84, Fiduciary Activities. GASB No. 84 establishes general criteria for determining what activities should be reported in the fiduciary funds and requires the recognition of a liability when an event has occurred that requires the disbursement of fiduciary resources. GASB No. 84 replaces Agency Fund types with Custodial Funds for the accumulation of assets for entities outside the government's reporting entity. Unlike Agency Funds, custodial funds present a statement of net position and a statement of changes in net position. The statement of changes in fiduciary net position report additions and deductions for taxes collected and distributed on behalf of or to other governments.

- a. Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b. Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.
- c. Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.



City of Markesan, Wisconsin  
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NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Wisconsin State Statutes

Investment of City funds is restricted by state statutes. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.
- Bonds issued by a local exposition district
- Bonds issued by a local professional baseball park district
- Bonds issued by the University of Wisconsin Hospital and Clinics Authority
- Bonds issued by a local football stadium district
- Bonds issued by a local arts district
- Bonds issued by the Wisconsin Aerospace Authority

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The City's policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Amount	Remaining Maturity	
		12 months or less	13 to 24 months
Certificates of deposit	\$ 67,012	\$ 44,450	\$ 22,562
Local Government Investment Pool	38	38	
	<u>\$ 67,050</u>	<u>\$ 44,489</u>	<u>\$ 22,562</u>

City of Markesan, Wisconsin  
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NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. As of December 31, 2019, the City's investment in the Wisconsin Local Government Investment Pool was not rated. The City's policy does not further limit its investment choices.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the City would not be able to recover the value of its investment of collateral securities that are in possession of another party. The City's investment policies do not address these risks.

*Federal Deposit Insurance Corporation (FDIC) Insurance*

The FDIC insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest bearing demand deposit accounts. The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

*Collateralization of Public Unit Deposits*

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the bank. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the event of the failure of an insured bank.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and proceeds from borrowing resulted in temporary balances exceeding insured amounts. As of December 31, 2019, \$764,019 of the City's deposits were insured by the FDIC, \$351,235 was insured by securities pledged by a bank, and \$1,270,963 of the City's deposits with financial institutions were in excess of federal depository insurance limits and pledged collateral. Of this amount, \$800,000 would be insured by the State of Wisconsin Guarantee Fund, provided funds are available at the time of any potential loss.

City of Markesan, Wisconsin  
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NOTE 3

CASH AND INVESTMENTS (CONTINUED)

*Wisconsin Local Government Investment Pool*

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <https://doa.wi.gov/Pages/StateFinances/LGIP.aspx>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the fair value of the City's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the City.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund Investment guidelines.

Investment allocation in the local government investment pool as of December 31, 2019 was: 88.05% in U.S. Government Securities, 2.70% in Bankers' Acceptances and 9.25% in Corporate Notes. The Wisconsin State Treasurer updates the investment allocations monthly.

Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer.

NOTE 4

RESTRICTED ASSETS

Restricted assets on December 31, 2019, consisted of the following:

General Fund:	
Phelps memorial trust	\$ 22,562
Cemetery perpetual care	44,450
Total governmental funds	<u>\$ 67,012</u>
Water and Wastewater Utility:	
Replacement fund	\$ 494,862
Revenue bond funds	
Depreciation fund	6,057
Reserve fund	34,076
Redemption fund	89,944
Total proprietary funds	<u>\$ 624,939</u>

City of Markesan, Wisconsin  
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NOTE 5

DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer inflow recognition in connection with resources that have been received, but not yet earned. At December 31, 2019, deferred inflows of resources were comprised of deferred property tax revenue of \$704,611, tax roll special charges of \$4,381, and unavailable delinquent personal property interest charges of \$14,504.

NOTE 6

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 174,077	\$	\$	\$ 174,077
	<u>174,077</u>			<u>174,077</u>
Other capital assets:				
Buildings and improvements	2,409,713			2,409,713
Equipment and furnishings	753,230	54,976	(65,891)	742,315
Infrastructure	5,823,218			5,823,218
Total other capital assets at historical costs	<u>8,986,161</u>	<u>54,976</u>	<u>(65,891)</u>	<u>8,975,246</u>
Less accumulated depreciation:				
Buildings and improvements	1,129,972	60,280		1,190,252
Equipment and furnishings	624,250	38,550	(63,383)	599,417
Infrastructure	2,057,924	152,267		2,210,191
Total accumulated depreciation	<u>3,812,146</u>	<u>251,097</u>	<u>(63,383)</u>	<u>3,999,860</u>
Net other capital assets	<u>5,174,015</u>	<u>(196,121)</u>	<u>(2,508)</u>	<u>4,975,386</u>
Total net capital assets	<u>\$ 5,348,092</u>	<u>\$ (196,121)</u>	<u>\$ (2,508)</u>	<u>\$ 5,149,463</u>

Depreciation expense was charged to functions as follows:

<u>Governmental Activities:</u>	
General government	\$ 34,206
Public safety	11,837
Public works	177,565
Culture and recreation	27,489
Total depreciation for governmental activities	<u>\$ 251,097</u>

City of Markesan, Wisconsin  
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NOTE 6

CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Removals</u>	<u>Ending Balance</u>
<u>Business-Type Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 61,483	\$	\$	\$ 61,483
Construction work in progress	<u>2,099,961</u>	<u>289,237</u>	<u>(2,389,198)</u>	
Total capital assets not being depreciated	<u>2,161,444</u>	<u>289,237</u>	<u>(2,389,198)</u>	<u>61,483</u>
Capital assets being depreciated:				
Property and equipment	<u>9,499,948</u>	<u>2,478,211</u>	<u>(935,769)</u>	<u>11,042,390</u>
Total capital assets being depreciated	<u>9,499,948</u>	<u>2,478,211</u>	<u>(935,769)</u>	<u>11,042,390</u>
 Total accumulated depreciation	 <u>4,496,862</u>	 <u>261,189</u>	 <u>(928,269)</u>	 <u>3,829,782</u>
Net capital assets being depreciated	<u>5,003,086</u>	<u>2,217,022</u>	<u>(7,500)</u>	<u>7,212,608</u>
 Total net capital assets	 <u>\$ 7,164,530</u>	 <u>\$ 2,506,259</u>	 <u>\$ (2,396,698)</u>	 <u>\$ 7,274,091</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities:

Water	\$ 76,401
Wastewater	<u>182,010</u>
Per Exhibit A-8	\$ 258,411
Allocated from water to wastewater	<u>2,778</u>
Total additions to accumulated depreciation	<u>\$ 261,189</u>

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NOTE 7

LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities</u>					
Bonds and notes-nondirect	\$ 1,700,000		\$ (190,000)	\$ 1,510,000	\$ 100,000
Notes from direct borrowings and direct placements	35,129	25,932	(14,614)	46,447	8,088
Other liabilities:					
Compensated Absences	47,746		(18,777)	28,969	
Total Governmental Activities	<u>\$ 1,782,875</u>	<u>\$ 25,932</u>	<u>\$ (223,391)</u>	<u>\$ 1,585,416</u>	<u>\$ 108,088</u>
<u>Business-Type Activities</u>					
Mortgage Revenue Bonds-nondirect	\$ 671,000		\$ (12,700)	\$ 658,300	\$ 13,100
Notes from direct borrowings and direct placements					
Clean water revenue bonds	848,139	797,389	(61,345)	1,584,183	75,694
Safe drinking water revenue bonds	795,314	174,385	(37,788)	931,911	47,010
Other liabilities:					
Compensated Absences	31,792	787		32,579	
Total Business-Type Activities	<u>\$ 2,346,245</u>	<u>\$ 972,561</u>	<u>\$ (111,833)</u>	<u>\$ 3,206,973</u>	<u>\$ 135,804</u>

Other liabilities attributed to governmental activities are typically being liquidated in the general fund.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2019, was \$3,565,095. There was \$1,556,447 of general obligation debt outstanding at year-end as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/19
G.O. Note Payable	3/1/2019	3/1/2024	4.00%	25,932	23,567
G.O. Note Payable - WRS	4/20/2018	5/15/2021	3.00%	33,000	22,880
G.O. Bonds	3/8/2018	3/1/2032	1.90-3.20%	1,510,000	1,510,000
Total Governmental General Obligation Debt					<u>\$ 1,556,447</u>

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NOTE 7

LONG-TERM OBLIGATIONS (CONTINUED)

Debt service requirements to maturity are as follows:

Years	Governmental Activities					
	Bonds-Nondirect			Notes from Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 100,000	\$ 38,425	\$ 138,425	\$ 8,088	\$ 1,534	\$ 9,622
2021	105,000	36,425	141,425	24,751	930	25,681
2022	105,000	34,273	139,273	5,283	492	5,775
2023	110,000	31,933	141,933	5,496	278	5,774
2024	110,000	29,375	139,375	2,829	57	2,886
2025-2029	590,000	102,483	692,483			
2030-2032	390,000	18,395	408,395			
Totals	\$ 1,510,000	\$ 291,309	\$ 1,801,309	\$ 46,447	\$ 3,291	\$ 49,738

Revenue Bonds

Revenue bonds are payable only from revenues derived from the operation of the utility.

Revenue debt payable at December 31, 2019, consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/19
Water Build America Bonds	12/28/2010	12/1/2050	3.00%	\$ 762,100	\$ 658,300
Sewerage System Bonds	6/14/2017	5/1/2037	2.38%	441,859	411,896
Water System Bonds	6/14/2017	5/1/2037	1.122%	1,007,069	931,911
Sewerage System Bonds	12/26/2018	5/1/2038	0.853%	1,218,474	1,172,287
Total Business-Type Revenue Debt					<u>\$ 3,174,394</u>

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NOTE 7

LONG-TERM OBLIGATIONS (CONTINUED)

Debt service requirements to maturity are as follows:

Year	Business-Type Activities					
	Bonds-Nondirect			Notes from Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 13,100	\$ 19,652	\$ 32,752	\$ 122,704	\$ 29,530	\$ 152,234
2021	13,500	19,256	32,756	124,161	28,063	152,224
2022	13,900	18,848	32,748	125,639	26,575	152,214
2023	14,300	18,428	32,728	127,137	25,065	152,202
2024	14,700	17,996	32,696	128,657	23,534	152,191
2025-2029	80,900	83,001	163,901	666,859	93,931	760,790
2030-2034	93,900	70,017	163,917	708,277	52,213	760,490
2035-2039	108,900	54,950	163,850	512,660	10,291	522,951
2040-2044	126,400	37,463	163,863			
2045-2049	146,700	17,175	163,875			
2050	32,000	722	32,722			
Totals	\$ 658,300	\$ 357,508	\$ 1,015,808	\$ 2,516,094	\$ 289,202	\$ 2,805,296

The revenue bonds are secured by a mortgage lien upon the system. The system shall remain subject to the lien until payment in full of the principal and interest on the bonds.

Water System Revenue Bonds – Build America Bonds - 2010

All loan covenants are being properly applied. As described below and in Note 4, various funds are required to be established for the Build America Bonds.

The mortgage revenue bonds require that the following funds be created:

**Debt Service Fund/Bond Reserve:** The 2010 Build America revenue bond issue has the following requirements: The Debt Service Fund shall be used for the payment of principal and interest on the bonds. Revenues sufficient to pay the principal and interest on the bonds shall be set aside into this fund. Monies standing in the Debt Service Fund are irrevocably pledged to pay principal and interest. An amount not less than one-sixth (1/6) of the next semi-annual payment coming due, shall be deposited into the Debt Service Fund monthly. For the year ended December 31, 2019, this requirement was \$2,279. In addition, a reserve fund is required to be established, this fund shall maintain a reserve amount to additionally secure the payment of principal and interest on the bonds. The reserve amount should equal the lesser of: (1) maximum annual debt service on the bonds in any bond year; (2) 125% of average annual debt service on the bond in any debt year; (3) \$32,848; (4) an amount of \$1,643 shall be deposited into the reserve fund until there is accumulated an amount equal to the reserve requirement. At December 31, 2019, the required amount was \$29,574.

As of December 31, 2019, the balance in the debt service account was \$63,944 and the balance in the bond reserve account was \$34,076. The utility met the requirements for these accounts.

The 2010 Build America bonds require that the net revenues be equal to at least 1.20 times the highest annual principal and interest requirements on all outstanding bonds. Net revenues for 2019 were \$198,400, and the requirement was \$39,283. The Utility met this requirement for 2019.



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NOTE 7

LONG-TERM OBLIGATIONS (CONTINUED)

Sewerage System Revenue Bonds -2017 and 2018

As described below and in Note 4, the 2017 and 2018 bond indentures contains requirements for annual debt service and flow of funds through various accounts. Specifically, the bond indenture requires the use of an operation and maintenance account, a debt service account, and a depreciation account.

Debt service cash accounts held at December 31, 2019 were more than required by the bond indenture.

The debt service account is required to maintain an amount equal to one-sixth (1/6) of the next installment of interest coming due on the bonds outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the bonds coming due during such bond year.

The City is in compliance with the requirements of the bond covenants as of December 31, 2019. The debt service and depreciation accounts are shown as restricted assets on the balance sheet.

The 2017 and 2018 revenue bond issue was sold to the State of Wisconsin Clean Water Fund and, as part of such sale, the City is subject to a Financial Assistance Agreement dated June 14, 2017 and December 26, 2018 by and between the City and the State of Wisconsin by the Department of Natural Resources and the Department of Administration. At December 31, 2019, the City was in compliance with all significant terms of the Financial Assistance Agreement.

Water System Revenue Bonds - 2017

As described below and in Note 4, the 2017 bond indenture contains requirements for annual debt service and flow of funds through various accounts. Specifically, the bond indenture requires the use of an operation and maintenance account, a debt service account, and a depreciation account.

Debt service cash accounts held at December 31, 2019 were more than required by the bond indenture.

The debt service account is required to maintain an amount equal to one-sixth (1/6) of the next installment of interest coming due on the bonds outstanding and an amount equal to one-twelfth (1/12) of the installment of principal of the bonds coming due during such bond year.

The City is in compliance with the requirements of the bond covenants as of December 31, 2019. The debt service and depreciation accounts are shown as restricted assets on the balance sheet.

The 2017 revenue bond issue was sold to the State of Wisconsin Safe Drinking Water Fund and, as part of such sale, the City is subject to a Financial Assistance Agreement dated June 14, 2017 by and between the City and the State of Wisconsin by the Department of Natural Resources and the Department of Administration. At December 31, 2019, the City was in compliance with all significant terms of the Financial Assistance Agreement.

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NOTE 8

INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables:

Receivable Fund	Payable Fund	Amount	Purpose
Proprietary Funds:			
Water and Wastewater Utility	General Fund	\$ 93,207	Hydrant rents, miscellaneous

Interfund advances were as follows at December 31, 2019:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Tax Incremental District #1	\$ 520,062	Cash flow

The general fund advanced funds to the tax incremental financing district several times since the district was created and has provided cash flow as necessary. Repayments on amounts due by the TIF district will be made from tax increments collected annually as sufficient revenues are generated.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The following is a schedule of interfund transfers:

Fund Transfer To	Fund Transferred From	Amount	Purpose
Debt Service Fund	General Fund	94,353	Debt payments
General Fund	Water Utility	60,976	Tax equivalent
General Fund	Tax Incremental District #1	13,613	Interest on advances
Total		\$ 168,942	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) move fund balances whose designated purpose has been removed.

NOTE 9

GOVERNMENTAL FUND BALANCES

Fund balance as of December 31, 2019, includes the following items:

Nonspendable:

General Fund:

Advance to TID #1	520,062
Phelps memorial trust	22,562
Cemetery perpetual care	44,450
Prepaid expenses	18,828
Total nonspendable	\$ 605,902

Assigned:

Machines	\$ 39,946
City Hall	35,114
Streets	279,337
Total assigned	\$ 354,397

City of Markesan, Wisconsin  
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NOTE 10

GOVERNMENTAL ACTIVITIES NET POSITION

Governmental activities net position reported on the government wide statement of net position at December 31, 2019, includes the following:

Net investment in capital assets	
Land and construction work in progress	\$ 174,077
Other capital assets, net of accumulated depreciation	4,975,386
Less: related long-term debt outstanding	<u>(1,533,567)</u>
Total net investment in capital assets	<u>3,615,896</u>
Restricted for:	
Phelps memorial trust	22,562
Cemetery perpetual care	44,450
Unrestricted	433,160
Total governmental activities net position	<u><u>\$ 4,116,068</u></u>

NOTE 11

PROPRIETARY FUNDS NET POSITION

The following calculation supports the utility net position net investment in capital assets:

Net investment in capital assets:	
Plant in service	\$ 11,103,873
Accumulated depreciation	<u>(3,829,782)</u>
Sub-total	7,274,091
Less: capital related debt	<u>(3,174,394)</u>
Total net investment in capital assets	<u><u>\$ 4,099,697</u></u>

Portions of net position are restricted and are not available for current expenses as follows:

Restricted:	
Replacement fund	\$ 494,862
Revenue bond funds	123,388
Total restricted	<u><u>\$ 618,250</u></u>

NOTE 12

TAX LEVY LIMIT

Wisconsin Act 32 imposes a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. Under 2011 Wisconsin Act 32, in 2011 and all future years, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. All of the exceptions and modifications to levy limits that existed under previous law continue to apply.

In addition, as part of Wisconsin's Act 20 (2013), legislation was passed that further limits future tax levies. If the City adopts a new fee or a fee increase for covered services (which were partly or wholly funded by property tax levy), the City must reduce its levy limit in the current year by the amount of the new fee or fee increase, less any previous reductions. Covered services include garbage collection, snow plowing, street sweeping, and stormwater management.

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**NOTE 13    OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN**

**Plan description.** The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

**OPEB Plan Fiduciary Net Position.** ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

**Benefits provided.** The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

**Contributions.** The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2019 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

Life Insurance Employee Contribution Rates* For the year ended December 31, 2018		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$167 in contributions from the employer.

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NOTE 13 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN (CONTINUED)

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs***

At December 31, 2019, the LRLIF Employer reported a liability (asset) of \$22,413 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the City's proportion was .00868600%, which was an increase of .000937% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized OPEB expense of \$2,866.

OPEB amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the OPEB plan made by the proprietary fund and business-type activities relative to the total contributions made by the City.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$ 1,137
Changes of assumptions	2,139	4,858
Net differences between projected and actual earnings on OPEB plan investments	536	
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,759	
Employer contributions subsequent to the measurement date	216	
Totals	<u>\$ 6,650</u>	<u>\$ 5,995</u>

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**NOTE 13 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN (CONTINUED)**

\$216 reported as deferred outflows related to OPEB resulting from the City employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	Net Outflows (Inflows) of Resources
2020	\$ 197
2021	197
2022	197
2023	122
2024	45
2025	(241)
2026	(78)
Total	<u>\$ 439</u>

**Actuarial assumptions.** The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.22%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

**Long-term expected Return on Plan Assets.** The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

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**NOTE 13 OTHER POSTEMPLOYMENT BENEFITS – MULTIPLE-EMPLOYER LIFE INSURANCE PLAN (CONTINUED)**

**Local OPEB Life Insurance  
Asset Allocation Targets and Expected Returns  
As of December 31, 2018**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

**Single Discount rate.** A single discount rate of 4.22% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

**Sensitivity of the City's proportionate share of the net OPEB liability (asset) to changes in the discount rate.** The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.22 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current rate:

	<b>1% Decrease to Discount Rate (3.22%)</b>	<b>Current Discount Rate (4.22%)</b>	<b>1% Increase to Discount Rate (5.22%)</b>
City's proportionate share of the net OPEB liability (asset)	\$31,884	\$22,413	\$15,108

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

NOTE 14

DEFINED BENEFIT PENSION PLAN

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

**Vesting.** For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**Post-Retirement Adjustments.** The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:



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NOTE 14

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1%)	(42%)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17

*Contributions.* Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$40,510 in contributions from the employer.

Contribution rates as of December 31, 2019 are:

	2019	
	Employee	Employer
General (including teachers)	6.55%	6.55%
Protective with social security	6.55%	10.55%
Protective without social security	6.55%	14.95%

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2019, the City reported a liability (asset) of \$132,695 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the City's proportion was .00372983%, which was an increase of .00025406% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized pension expense of \$88,253.

Pension amounts have been allocated to the proprietary funds and business-type activities. Allocations were based on the proportionate share of current year contributions to the pension plan made by the proprietary funds and business-type activities relative to the total contributions made by the City.

City of Markesan, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 14

DEFINED BENEFIT PENSION PLAN (CONTINUED)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 103,349	\$ 182,685
Change of assumptions	22,367	
Net differences between projected and actual earnings on pension plan investments	193,793	
Changes in proportion and differences between employer contributions and proportionate share of contributions	112	2,447
Employer contributions subsequent to the measurement date	44,049	
Total	<u>\$ 363,670</u>	<u>\$ 185,132</u>

\$44,049 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Net Outflows (Inflows) of Resources</u>
2020	\$ 48,451
2021	11,814
2022	21,429
2023	52,795
Total	<u>\$ 134,489</u>

**Actuarial assumptions.** The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

City of Markesan, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 14

DEFINED BENEFIT PENSION PLAN (CONTINUED)

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

*Long-term expected Return on Plan Assets.* The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns As of December 31, 2018			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49	8.1	5.5
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
Variable Fund Asset Class			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%			
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			

City of Markesan, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 14

DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Single Discount rate.* A single discount rate of 7.00% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the City of Markesan's proportionate share of the net pension liability (asset) to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase To Discount Rate (8.00%)
City's proportionate share of the net pension liability (asset)	\$527,346	\$132,695	(\$160,757)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

NOTE 15 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 87, *Leases*. When this becomes effective, application of this standard may restate portions of these financial statements.

NOTE 16

JOINT VENTURES

Lakeside Municipal Court

The Cities of Fond du Lac and Ripon, Towns of Empire, Oakfield, Osceola, Ripon and Taycheedah, the Villages of Brandon, Campellsport, Fairwater, North Fond du Lac and Oakfield in Fond du Lac County and the City of Berlin Green Lake and Waushara counties, the Cities of Green Lake, Markesan, and Princeton in Green Lake County jointly operate a municipal court.

The transactions of the court are not reflected in these financial statements. Financial information of the municipal court is available at its offices.

City of Markesan, Wisconsin  
Notes to the Basic Financial Statements  
December 31, 2019

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NOTE 16

JOINT VENTURES (CONTINUED)

Grand River Fire District

The City of Markesan and the Towns of Green Lake, Mackford, and Manchester operate the Grand River Fire District which provides fire protection to the municipalities.

The municipalities share in the operation of the district as follows:

City of Markesan	33%
Town of Green Lake	33%
Town of Mackford	17%
Town of Manchester	17%

The governing body is made up a representative from the Common Council of the City of Markesan and a representative from each of the Town Boards. The governing body has authority to adopt its own budget and control the financial affairs of the district. The City's contributions to the fire district in 2019 were \$29,910. The City believes that the district will continue to provide services in the future at similar rates.

Summary financial information of the district as of December 31, 2019 is made available by the Grand River Fire District upon request. Transactions of the district are not reflected in these financial statements.

Southern Green Lake County Ambulance Service

The City of Markesan, the Villages of Kingston and Marquette, and the Towns of Green Lake, Kingston, Mackford, Manchester, and Marquette jointly operate the local Southern Green Lake County Ambulance Service. The ambulance service is made up of one member from each municipality. Local representatives are appointed by the City. The ambulance service has authority to prepare its own budget (which must be approved by the majority of the governing bodies) and control the financial affairs of the ambulance service. During 2019, the communities shared in the operation of the ambulance service as follows for 2019:

Community	%	2019
		Assessment
City of Markesan	32.00%	\$ 24,000
Town of Green Lake	20.00%	15,000
Village of Kingston	4.00%	3,000
Town of Kingston	13.00%	9,750
Town of Mackford	7.00%	5,250
Town of Manchester	12.00%	9,000
Town of Marquette	8.00%	6,000
Village of Marquette	4.00%	3,000

Total City contributions during the year were \$32,294, including shared revenue allocations. The transactions of the ambulance service are not reflected in these financial statements. Financial information of the ambulance service is available at their office.

NOTE 17

COMMITMENTS/SUBSEQUENT EVENTS

The recent spread of the COVID-19 coronavirus has created economic uncertainty domestically and internationally. The potential of COVID-19 having a financial and economic impact on the City is a possibility, although the impact is unknown at this time.

# DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit B-1  
City of Markesan, Wisconsin  
Required Supplementary Information  
Budgetary Comparison Schedule for the General Fund  
For the Year Ended December 31, 2019

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	Budgeted Amounts		Actual	Variances- Positive (Negative)	
	Original	Final		Original to Actual	Final to Actual
<b>REVENUES</b>					
Taxes	535,549	\$ 535,549	\$ 535,655	\$ 106	\$ 106
Intergovernmental	567,437	567,437	586,526	19,089	19,089
Licenses and permits	7,200	7,200	11,878	4,678	4,678
Fines, forfeits & penalties	8,750	8,750	13,941	5,191	5,191
Public charges for services	7,250	7,250	13,118	5,868	5,868
Miscellaneous	26,762	26,762	36,437	9,675	9,675
Total revenues	1,152,948	1,152,948	1,197,555	44,607	44,607
<b>EXPENDITURES</b>					
Current:					
General government	355,402	355,402	389,185	(33,783)	(33,783)
Public safety	452,760	452,760	470,548	(17,788)	(17,788)
Public works	235,029	235,029	233,593	1,436	1,436
Health and human services	7,300	7,300	12,202	(4,902)	(4,902)
Culture and recreation	81,200	81,200	97,566	(16,366)	(16,366)
Conservation and development	2,300	2,300	712	1,588	1,588
Capital outlay:	39,447	39,447	86,323	(46,876)	(46,876)
Total expenditures	1,173,438	1,173,438	1,290,129	(116,691)	(116,691)
Excess (deficiency) of revenues over expenditures	(20,490)	(20,490)	(92,574)	(72,084)	(72,084)
<b>OTHER FINANCING SOURCES</b>					
Loan proceeds			25,932	25,932	25,932
Sale of fixed assets			851	851	851
Transfers in	117,000	117,000	74,589	(42,411)	(42,411)
Transfers out	(96,510)	(96,510)	(94,353)	2,157	2,157
Net change in fund balance			(85,555)	(85,555)	(85,555)
Fund balance - beginning	1,090,923	1,090,923	1,090,923		
Fund balance - ending	\$ 1,090,923	\$ 1,090,923	\$ 1,005,368	\$ (85,555)	\$ (85,555)

Exhibit B-2  
City of Markesan, Wisconsin  
Wisconsin Retirement System Schedules  
December 31, 2019

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**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**Last 10 Calendar Years\***

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2018	0.00372983%	\$ 132,695	\$ 492,768	26.93%	96.45%
2017	(0.00347577%)	(103,199)	461,004	(22.39%)	(102.93%)
2016	0.00337106%	27,786	446,717	6.22%	99.12%
2015	0.00325812%	52,943	402,860	13.14%	98.20%
2014	(0.00325424%)	(79,911)	420,724	(18.99%)	(102.74%)

\*The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Calendar Years\*\***

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2019	\$ 44,049	(44,049)		\$ 536,796	8.21%
2018	40,510	(40,510)		492,768	8.22%
2017	37,412	(37,412)		461,004	8.12%
2016	33,747	(33,747)		446,717	7.55%
2015	30,680	(30,680)		402,860	7.62%

\*\*The contribution and other amounts presented above for each calendar year are based on information that occurred during that calendar year.



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**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**  
**Last 10 Calendar Years\***

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2018	0.00868600%	\$ 22,413	\$ 419,000	5.35%	48.69%
2017	0.00774900%	23,313	325,868	7.15%	44.81%

\*The proportionate share of the net OPEB liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Calendar Years\*\***

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2019	\$ 216	(216)		\$ 504,000	0.04%
2018	167	(167)		419,000	0.04%

\*\*The contribution and other amounts presented above for each calendar year are based on information that occurred during that calendar year.

NOTE 1

BUDGET SCHEDULE

*Budgetary Information*

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.C to the financial statements.

The City budget is adopted in accordance with state law. Budget amounts in the financial statements include appropriations authorized in the original budget resolution and subsequent revisions authorized by the City Council. Such revisions are required by a statutory provision which states that no expenditure can be made from an expired appropriation. The statutes also require publication of these budget revisions. Revisions require a two-thirds vote of the City Council. Appropriations for the general fund lapse at year end unless specifically carried forward by Board action. Carryovers are shown in Note 9 of the financial statements. Budget comparisons are not required for proprietary funds.

The City does not utilize encumbrances in its budget process but does take into consideration certain appropriations, which do not lapse on an annual basis.

The City's adopted budget includes costs for payroll taxes, health insurance contributions, and pension contributions for all general fund employees within the general government functional category. For audit and regulatory purposes, payroll taxes and benefit expenditures are allocated to the various functions of the City (General Government, Public Safety, Public Works, Culture, Recreation, and Education, etc.) Actual expenditures in Exhibit B-1 are presented in alignment with the City's adopted budget.

*Excess Expenditures Over Appropriations*

The following expenditures exceeded budget appropriations in the general fund for the year ended December 31, 2019:

<u>Expenditure</u>	<u>Excess Expenditure</u>
General government	\$ 33,783
Public safety	17,788
Health and human services	4,902
Culture and recreation	16,366
Capital outlay	46,876

NOTE 2

WISCONSIN RETIREMENT SYSTEM SCHEDULES

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 5 preceding years.

*Changes of benefit terms.* There were no changes of benefit terms for any participating employer in WRS.

*Changes of assumptions.* Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

NOTE 3

LOCAL RETIREE LIFE INSURANCE SCHEDULES

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively; therefore, the illustrations do not present similar information for the 8 preceding years.

*Changes of benefit terms.* There were no changes of benefit terms for any participating employer in LRLIF.

*Changes of assumptions.* Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

# DRAFT

SUPPLEMENTARY INFORMATION

Schedule 1  
City of Markesan, Wisconsin  
Schedule of Operating Revenues and Expenses  
Proprietary Funds  
Year Ended December 31, 2019

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	Water Utility	Wastewater Utility	Total
<b>OPERATING REVENUES</b>			
Public charges for service	\$ 209,730	\$ 539,132	\$ 748,862
Public fire protection	113,586		113,586
Other receipts	13,810	3,518	17,328
Total operating revenues	<u>337,126</u>	<u>542,650</u>	<u>879,776</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	14,539	67,460	81,999
Operating supplies and expenses	1,801	9,448	11,249
Fuel and power	10,243	23,210	33,453
Repairs and maintenance	14,748	37,816	52,564
Transportation expenses	1,370	1,370	2,740
Office supplies and expenses	4,558	4,558	9,116
Outside services employed	8,706	12,583	21,289
Employee benefits	8,951	38,253	47,204
Insurance	4,190	4,190	8,380
Depreciation/amortization	76,401	182,010	258,411
Taxes (including tax equivalent)	61,674	7,138	68,812
Billing, collecting, and accounting	6,450	2,135	8,585
Miscellaneous general expenses	1,496	6,030	7,526
Total operating expenses	<u>215,127</u>	<u>396,201</u>	<u>611,328</u>
Operating income (loss) including tax equivalent	<u>121,999</u>	<u>146,449</u>	<u>268,448</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest expense	(30,270)	(17,295)	(47,565)
Interest income	386	3,178	3,564
Capital grant		293,790	293,790
Total nonoperating revenues (expenses)	<u>(29,884)</u>	<u>279,673</u>	<u>249,789</u>
Change in net position	<u>\$ 92,115</u>	<u>\$ 426,122</u>	<u>\$ 518,237</u>

Schedule 2  
City of Markesan, Wisconsin  
General Fund

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Statement of Changes in Non-Lapsing Appropriations  
For the Year Ended December 31, 2019

<u>Account</u>	Balance January 1	Appropriations	Transfers	Available	Expenditures	Balance December 31
Machines	\$ 46,521	\$ 6,000	\$	\$ 52,521	\$ (12,575)	\$ 39,946
City Hall	31,497	4,000		35,497	(383)	35,114
Streets	295,961	10,300		306,261	(26,924)	279,337
Total	\$ 373,979	\$ 20,300	\$	\$ 394,279	\$ (39,882)	\$ 354,397

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The following additional disclosures are required per the Build America Bond resolution:

User Information	Number of Users	Gallage
Residential	523	19,080,000
Commercial	72	3,751,000
Industrial	10	7,210,000
Public Authority	11	1,665,000
Multifamily	18	5,560,000
Total	634	37,266,000

Insurance Coverages

Insurance Company	Type	Coverages
EMC Insurance Company	Liability	\$ 2,000,000
	Workers Comp.	500,000
	Umbrella	1,000,000
	Public Official	2,000,000
	Law Enforcement	2,000,000
	Property	13,010,023
	Equipment	4,264,859

The insurance policy periods are from 1/1/19 to 1/1/20.